

DOCKET FILE COPY ORIGINAL

Cumby Telephone Cooperative, Inc.

KAREN ZIMMERMAN
MANAGER

P.O. BOX 619 • 200 FRISCO
PHONE (903) 994-2211
CUMBY, TEXAS 75433

RECEIVED

JUL 26 1994

FCC MAIL ROOM

July 21, 1994

The Honorable Reed Hundt
Chairman
Federal Communications Commission
1919 M Street, NW, Rm. 814
Washington, DC 20554

RE: Cable Competition Report
CS Docket No. 94-48

Dear Chairman Hundt:

I am writing this letter in support of the Comments of the National Rural Telecommunications Cooperative (NRTC) in the matter of Implementation of Section 19 of the Cable Television Consumer Protection and Competition Act of 1992, Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming, CS Docket No. 94-48.

Cumby Telephone Cooperative, Inc. is an NRTC rural telephone member and an investor in the DIRECTV project delivering television programming to the rural consumers in our area. A great many of these people are not served by cable.

The only alternative for these people to receive quality television programming is through satellite. However, despite passage of the 1992 Cable Act, my company's ability to compete in our local marketplace is being hampered by our lack of access to programming owned by Time Warner and Viacom.

This programming includes some of the most popular cable networks such as HBO, Showtime, Cinemax, The Movie Channel, MTV, Nickelodeon, and others. These networks are only available to my principal competitor, the United States Satellite Broadcasting Co. (USSB), as a result of an "exclusive" contract signed between USSB and Time Warner/Viacom.

In comparison, none of the programming distribution contracts signed by DIRECTV are exclusive in nature, and USSB is free to gain distribution rights for any of the channels available on DIRECTV.

There are other competitors in our area such as PrimeStar that has access to the Time Warner/Viacom programming and I don't understand how this can be a fair way of competing or to give our customers a choice of providers which would give them lower prices and improved service.

No. of Copies rec'd *Copy*
List ABCDE

Cumby Telephone Cooperative, Inc.

KAREN ZIMMERMAN
MANAGER

P.O. BOX 619 • 200 FRISCO
PHONE (903) 994-2211
CUMBY, TEXAS 75433

Mr Hundt, my organization agrees with NRTC that these exclusive programming contracts do not go along with the intent of the 1992 Cable Act. As it is, if one of my DIRECTV subscribers wishes to receive Time Warner/Viacom programming, he must purchase a second subscription to the USSB service. This makes competition very difficult and keeps the price for Time Warner/Viacom channels unnecessarily high. It also increases consumer confusion at the retail level.

My organization has invested a great deal of money in this project only to see that by not having access to the Time Warner/Viacom programming we are having a hard time competing with other sources for television in my area. Several of our potential subscribers have changed their mind about purchasing our programming because we could not offer them the HBO and Showtime packages.

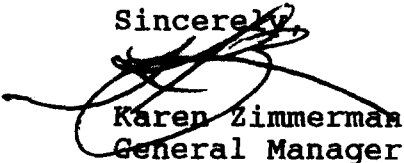
This could very well affect the outcome of our investment and as a small rural telco, we cannot afford to lose that kind of money.

We believe that the 1992 Cable Act flatly prohibits any exclusive arrangements that prevent any distributor from gaining access to cable programming to serve rural non-cables areas. That is why we supported the Tauzin Amendment, embodied in Section 19 of the Act.

We ask the FCC to remedy these problems so that the effective competition requirements of Section 19 become a reality in rural America. I strongly urge you to banish the type of exclusionary arrangements represented by the USSB/Time Warner/Viacom deal

Thank you for your consideration in this matter

Sincerely,



Karen Zimmerman
General Manager

cc:

The Hon. Representative Jim Chapman
The Hon. Senator Phil Gramm
William F. Caton, Secretary
The Hon. James H. Quello
The Hon. Andrew C. Barrett
The Hon. Susan Ness
The Hon. Rachelle B. Chong